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Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS) DEGREE EXAMINATION
OCTOBER 2025**

Fourth Semester

FC 9—COST ACCOUNTING

(2023 Admissions—Regular/2018 and 2022 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. What are the objectives of cost classification ?
2. What is meant by Bill of Material ?
3. List the advantages of LIFO method of material pricing.
4. What is meant by labour turnover ? What are its disadvantages ?
5. Describe the functional classification of overheads.
6. Distinguish between works on cost and works cost.

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. Define cost accounting. Mention its objects and functions.
8. Explain the different stock levels of materials. State the factors to be considered while determining the stock levels.
9. Answer the following questions :
 - a) The annual demand for an item is 3,200 units. The unit cost is Rs. 6 and inventory carrying charges 25 % per annum. If the cost one procurement is Rs. 150, determine i) EOQ ; and ii) No. of orders per year.

Turn over

- b) From the following particulars calculate (a) Reorder Level ; (b) Minimum Level ; and (c) Maximum Level

Normal usage 100 units per day

Minimum usage 60 units per day

Maximum usage 130 units per day

Economic ordering quantity 5,000 units

Reorder period 25 to 30 days.

10. a) What is meant by incentive plan in remunerating labour.
- b) A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His day rate is Rs. 7.50 an hour. The material cost of the product is Rs. 40 and the overheads are recovered at 150 % of the total direct wages. Calculate the factory cost of the product under (i) Piece work plan ; (ii) Rowan plan ; and (iii) Halsey plan.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. The accounts of Star Co. Ltd show the following information for the year ending 31st March, 2025 :

	Rs.
Materials used	70,000
Direct wages	54,000
Works overheads	16,200
Establishment and General expenses	11,216

Calculate :

- Works cost ;
- Total cost ;
- The percentage that works overheads bear to direct wages ; and
- Establishment and General Expenses as percentage to works cost.

What price should the company quote to manufacture a machine which, it is estimated, will require an expenditure of Rs. 720 on materials and Rs. 600 on wages so that it will yield a profit of 15 % on the total cost.

12. In factory there are two service departments P and Q and three production Departments A, B and C. In April 2025, the departmental expenses were :

		Rs.
A	...	65,000
B	...	60,000
C	...	50,000
P	...	12,000
Q	...	10,000

The service departments expenses are allocated on a percentage basis as follows :

Service Dept.	Production Dept.			Service Dept.	
	A	B	C	P	Q
P	30	40	15	—	15
Q	40	30	25	5	—

Prepare a statement showing the distribution of the two service departments expenses to the three production departments under Simultaneous Equation Method.

13. What do you understand by Machine Hour Rate ? How is it calculated ?

(2 × 15 = 30 marks)